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electronic delivery

David Harvey
Director of Environmental, Health and Safety
The Greenbrier Companies
1 Centerpointe Drive
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RE: Status of Area 2 and Area 3 Riverbank Interim Source Control Measure Implementation
Gunderson
4350 NW Front Avenue, Portland Oregon
ECSI # 1155

Dear Dave:

I am writing to clarify DEQ's understanding of the status of interim source control measures at the Area 2 and Area 3 riverbank's of the Gunderson facility and to convey DEQ's expectations for their completion.

As noted in the schedule presented in the Scope of Work for Source Control Measures (Attachment B of the 2013 Consent Order), implementation of Area 2 and Area 3 riverbank interim source control measures was to begin July 30, 2013 and proceed to completion as described in schedules subsequently presented in DEQ-approved work plans. Gunderson prepared and submitted the Area 2 and Schnitzer ASD Yard (Area 3) Riverbank Interim Source Control Measures Work Plan, dated April 30, 2013. Following revisions, DEQ conditionally approved this workplan on September 11, 2013, noting that a US Army Corps of Engineers permit would be needed for proposed riprap installation in Area 3 and that ship parts (debris) must be removed from the bank prior to riprap placement. The work plan schedule indicated that: 1) erosion prevention measures would be placed in Area 2 September/October 2013; 2) on-going launchway erosion prevention and best management practices would be implemented in Area 2; 3) ongoing vegetative coir maintenance would occur in Area 3; and, 4) riprap would be installed in Area 3 July to October 2013. The schedule for riprap placement was noted as "subject to change, pending DEQ approval of this Work Plan, USACE permit availability, and field conditions," and a completion report would be submitted within 60 days of riprap installation.

DEQ understands the current status of the implementation of these interim source control actions as follows:

Area 2

Approved interim measures are in place and functioning in Area 2 per the above schedule, with the exception of small sections of source control areas 2 (Launchways) and 5 (Ways 2 Building), as described in the draft Area 2 Riverbank Source Control Measures Focused Feasibility Study, which was recently prepared by Gunderson and dated September 18, 2015. DEQ is currently reviewing this document and anticipates formalizing completion dates for approved source control measures through the comment and approval process. As proposed, these actions are not anticipated to trigger USACE permitting. Once completion timelines are set, DEQ will consider such timelines in this approved work plan enforceable pursuant to appropriate provisions of the Consent Order.

Area 3

DEQ understands that ongoing vegetative coir fabric maintenance has been occurring, but that there was insufficient time for Gunderson to apply for and receive a permit in 2013 to place riprap in Areas 3 following

DEQ approval of the revised work plan and in consideration of the in-water work window for the Willamette River (July 15 – October 31). DEQ's expectation was that a permit application would be submitted and worked through to approval for the next available work window in 2014. Gunderson did not apply for permit coverage during this time and the October 31, 2014 Riverbank Interim Source Control Measures Progress Report Schnitzer ASD Yard (Area 3) does not explain why a permit was not applied for prior to the in-water work window in 2014. Rather, the report notes that completion of riprap placement is scheduled for 2015, "pending issuance of required permits."

DEQ understands that Gunderson applied for a USACE permit in November 2014 and USACE withdrew the application from consideration in March 2015 due to lack of response from Gunderson regarding questions on the application. The application was then reopened in April 2015 and the National Marine Fisheries Service requested additional information in May 2015, to which Gunderson responded in August 2015. Following the September 22, 2015 interagency meeting on Portland Harbor permits coordination, where Gunderson presented the concept for final bank remedy in Area 3, the agencies better understood the temporary nature of the riprap placement. There is now consensus among the permitting agencies that further development of the remedy design should strive to include habitat features, such that the final project will be "self-mitigating" for permitting purposes. As such, USACE issued a permit for the proposed riprap placement on October 21, 2015. DEQ stayed in communication with Gunderson during permit processing to ensure preparations were being made that would allow Gunderson to acquire materials and mobilize equipment to complete riprap installation under the terms of the permit. While in-water work should be completed prior to close of the in-water work window on October 31, 2015, the permit allows extension of the window, with appropriate approvals. DEQ approves Gunderson's permitted proposal for implementation as an amendment to the existing workplan approved on September 11, 2013. Therefore, DEQ will require that these interim measures will be in place and functioning for all of Area 3 by December 31, 2015. Failure to meet this timeline will be considered a violation of the terms of the Consent Order and may result in penalties, as described in Sections 6.N. and 6.O. of the Consent Order.

DEQ appreciates Gunderson's efforts to meet the schedule for source control work and deliverables, as described in the Scope of Work in the Consent Order and subsequent approved work plans and notes that many of these interim source control actions are completed. As we have discussed, a next step for keeping progress at the site moving forward and in compliance with the Consent Order is to reach agreement on a schedule for current and future deliverables. I look forward to discussing this with you in the near future, as I continue to review current submittals and work with you on pending submittals.

Let me know if you have questions about this letter. Please notify me as you plan to implement the riprap placement, so that we can have an opportunity to observe riprap placement and complete inspection of the Area 2 & 3 measures while water levels remain low. I look forward to seeing the interim measures completed in Areas 2 and 3 and also to a productive next meeting.

Sincerely,



L. Alexandra Liverman
Portland Harbor Stormwater Coordinator

cc: Dan Hafley, DEQ
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